REMARKS

Reconsideration is respectfully requested.

Applicant wishes to thank Examiner and Examiner's supervisor, Xuan Thai, for the courtesy extended during the telephonic interview of November 8, 2005. During said interview, Applicant proposed a number of arguments for overcoming the 103 rejection of claim 42 found in the office action of 10/20/05. Said rejection was based on Nilssen (U.S. patent 5,082,275 A) in view of Grippo, et al. (U.S. patent 6,017,032 A) and Ridge, et al. ("Innovations in Savings Schemes: The Bonus Bonds Trust in New Zealand", Financial Services Review, 7(2), Pages 78 to 81).

The arguments presented by Applicant during said interview were:

Combination fails to teach or suggest all of the claim limitations (MPEP 2143.03):

Applicant asserted that neither Nilssen, Grippo nor Ridge, alone or in combination, teach or suggest step i of claim 42.

Step i (prior to the amendment presented herein) was:

i) "committing to provide the cash value of said assets at the end of said period of time to the owners of said tokens"

Examiner had conceded in the office action of 10/20/05 that neither Nilssen nor Grippo teach step i of claim 42.

Applicant asserted that Ridge does not teach step i either. Ridge teaches a game (i.e. Bonus Bonds) wherein the provider of the game guarantees providing the nominal value (i.e. a dollar) of the tokens (i.e. the Bonds) but not the cash value of the assets backing said tokens. It doesn't matter in Ridge if the value of the assets backing the tokens is worth more or less than a dollar, the game provider is committed to providing a dollar on demand.

In contrast, in the claimed invention, the provider of the game is committed to providing the value of the assets to the token holders. If the assets are worth more than a dollar,

the token holder gets more than a dollar. If the assets are worth less than a dollar, the token holder gets less than a dollar.

This feature allows a portion of the original purchase price of the tokens to be allocated to a prize pool. In the game of Ridge, none of the original purchase price can be allocated to a prize pool since the provider of the game is committed to return the nominal value of a token even before any game is played.

Prior art as a whole teaches away from combination (MPEP: 2141.02):

Applicant asserted that the prior art teaches away from the combination of the game of Nilssen and the token redemption of "Bonus Bonds". Nilssen teaches:

> "Thus, once purchased, a lottery ticket has no redemption value..."
> (Nilssen 4:8)

A person of ordinary skill in the art, therefore, would not seek to modify the game of Nilssen by adding a redemption value for the lottery ticket (i.e. token) since this is counter to the explicit teaching of Nilssen.

Proposed modification would render prior art unsatisfactory for its intended purpose (MPEP 2143.01):

Applicant asserted that if the game of Nilssen were modified such that the lottery provider carried out step i of claim 42 (see above), then the game of Nilssen would no longer be satisfactory for its intended purpose. Nilssen states that the intended purpose for his invention is, at least in part:

> "the provision of a lottery system wherein the proceeds from the sale of lottery tickets is placed in profit-generating investment, the profits from which are used as lottery prizes [sic] on an ongoing periodic basis." (Nilssen 1:35-40)

If the entity providing the game of Nilssen were committed to providing the cash value of said assets, including their profits (i.e. earnings) to said owners of said tokens as per step i of claim 42, then said profits would not be available to provide lottery prizes on an ongoing periodic basis.

Hence the proposed modification of Nilssen would render it unsatisfactory for its intended purpose.

Examiner stated that he would find the above arguments persuasive if claim 42 were amended such that the phrase "cash value" was replaced with the phrase "current market value". Applicant has so amended claim 42.

During the above referenced interview, however, Examiner indicated that he needed additional time to consider whether or not he would issue a notice of allowance if said amendment were entered into the record. Applicant and Examiner, therefore, agreed to have a follow-up telephonic interview on December 2, 2005.

Applicant wishes to thank Examiner and senior examiner, Corbett Coburn, for the courtesy extended during the follow-up telephonic interview of December 2, 2005. During said follow-up interview, Examiner and the senior examiner confirmed that said amendment to claim 42 would overcome all of the rejections of said claim put forth in the office action of 10/20/05. Examiner, however, indicated that he had done a follow-up prior art search and that said search produced new prior art that needed to be considered. Examiner made reference, for example, to WO 02/47010 A1 by Silva. Examiner then requested additional time to consult with his supervisor to determine if the office action of 10/20/05 needed to be amended in light of said follow-up prior art.

On or before December 15, 2005 both Examiner and his Supervisor confirmed by telephone that they did not see a need to amend the office action of 10/20/05 in light of said follow-up prior art and that Applicant should respond to said office action as is.

Applicant therefore, respectfully requests that Examiner enter the above referenced amendment to claim 42 into the record and issue a notice of allowance for amended claim 42 and dependent claims 43 to 49.

Applicant has made a diligent effort to place the claims in condition for allowance. However, should there remain unresolved issues that require adverse action, it is respectfully requested that Examiner telephone Mark Nowotarski, Applicants' Agent at 203 975 7678 so that such issues may be resolved as expeditiously as possible.

For these reasons, and in view of the above amendments, this application is now considered to be in condition for allowance upon the entry of said Examiner's amendment and such action is earnestly solicited.

Respectfully Submitted,

December 20, 2005
Date

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